



Committee On Finance

Max Baucus, Chairman

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BAUCUS REMARKS TO EMERGENCY COMMITTEE FOR AMERICAN TRADE

Washington, DC – Finance Committee Chairman Max Baucus (D-Mont.) delivered the following remarks to the Emergency Committee for American Trade on the evening of February 13. Baucus and Finance Committee Ranking Republican Chuck Grassley (R-Iowa) were honored by ECAT for their work in international trade and investment.

Senator Chuck Grassley and I have shared 25 years on the Senate Finance Committee. Throughout, we have shared many of the same priorities. We've shared some victories. In more recent years, we have shared the Chairman's gavel. Thus I'm pleased to share with him this great award tonight.

Despite our long history together, the most important thing that Chuck Grassley and I share comes from before our Chairmanships.

It comes from before our tenures in Congress. And it even comes from before we became friends. Because the most important thing that we share is perspective.

For me, that perspective began on a ranch, just north of Helena, Montana, where I grew up. My great-grandfather founded that ranch, and generations have worked it side-by-side and hand-in-hand.

It's a perspective that Chuck learned on a farm in Butler County, Iowa. It was his parents' farm. And it is a farm that he works today with his son and his grandson.

Growing up on a ranch or a farm shapes your perspective. It never leaves you. It's a perspective that knows hard work, long days, and tradition.

It's also a perspective from which you learn to understand global markets and international health and safety standards. It's a perspective that sees foreign market barriers for what they are. And it's a perspective that knows a good trade deal from a bad one.

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This award tonight is a tribute to those in Montana and Iowa who gave us the eyes through which to see the world. We honor them tonight.

No matter what perspective you come from, it's clear that 2007 will be a critical year in international trade. Trade agreements with Korea, Malaysia, Peru, Panama, and Colombia may come before the Finance Committee.

Our negotiators are trying to show progress in the WTO Doha Round. The policies that buttress our trade agenda — Trade Promotion Authority and Trade Adjustment Assistance — are due to expire.

At the same time, a growing sense of unease hangs over American trade policy. Workers are nervous about outsourcing and falling wages. Farmers and ranchers are disillusioned by promises unfulfilled due to a web of non-tariff barriers.

Rampant intellectual property violations frustrate creative industries. Still others feel that we are failing to adequately enforce our trade agreements and trade laws. Worst of all, many feel that they have no voice in the debate.

In this complex and challenging picture, I can say one thing clearly. An aggressive trade agenda is critical to the future of America's economic leadership.

Twelve million American jobs and ten percent of our economic output depend on exports. Trade creates jobs and boosts incomes. Trade allows us to project our values as Americans.

Trade gives American farmers, ranchers, and workers the opportunity to compete and win on the global playing field.

To pursue an aggressive trade agenda, we need to extend fast track authority. It expires at the end of June. It must be renewed. The question is not whether we should renew fast track. It is rather when and how to renew fast track.

Growing up on a ranch with thousands of acres and herds of sheep and cattle, we always had too much to do and not enough time to do it. So when it came to getting things done, my parents engrained in me a mantra: Do it right the first time.

So how do we do fast track right the first time?

First, we need to recognize that not everyone believes that trade is good and is the right approach for America's economy.

Many have legitimate concerns about America's trade policy. They have concerns about trade's effect on jobs, wages, and their livelihoods. We, who care about trade, cannot stick our heads in the sand and ignore these concerns. We do so at our peril.

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Rather, we must keep an open dialogue and give everyone — including trade's fiercest critics — a voice on trade policy. Just as sunlight is the best disinfectant, debate is the best cure for our concerns.

We know that trade liberalization is not a zero-sum game or a race to the bottom. I believe that an open debate can only strengthen our agenda, gain allies, and increase understanding.

Second, doing it right means rethinking our trade tools with the same kind of innovation and flexibility that companies must show in global markets.

This includes enforcement tools that are precise, agile, and aggressive enough to tackle barriers as diverse as discriminatory taxes, unscientific standards, or the most cunning counterfeiting and piracy.

And this includes enforceable labor provisions that ensure acceptable working conditions.

Third, doing it right means never losing sight of those whom trade leaves behind. Through a renewed and expanded Trade Adjustment Assistance program, we must commit to provide wage and health benefits while trade-displaced workers retool, retrain, and find better jobs.

These benefits must be available to the eight out of ten workers who make their money in services professions. And these benefits must be available to those workers displaced by trade with China, India, and other non-free-trade-agreement partners.

Doing it right may mean that we need a whole new kind of adjustment program. It may be time to move to Globalization Adjustment Assistance to address displacements caused not just by trade, but also other aspects of globalization, like technology change and global communications.

Finally, doing it right means never losing our courage and ambition. Getting fast track right will be difficult work. We will certainly hit significant obstacles. There will be delays.

We will be tempted by shortcuts and short term gains. Yet we must work for the best long term solution for our economy, no matter how difficult it may be.

This is not going to be easy. It is a daunting task. But it is also an opportunity. It is an opportunity to set trade policy on a sustainable course into the future.

A challenge as significant as fast-track renewal requires leadership, trust, and cooperation.

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We have that in spades on the Finance Committee. I can think of no better partner with whom to navigate these difficult waters than Chuck Grassley.

Our common perspective, forged in Montana and Iowa, has served us well for a quarter century of working together. It will serve us well in the year ahead.

Thanks again for inviting me here, and for recognizing us with this award. But most of all, thanks for honoring those who gave us the perspective that brought us where we are.

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